

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT CINCINNATI

In re)	Chapter 11
)	
THE ROOKWOOD CORPORATION,)	Case No. 11-12756
)	
Debtor.)	Judge Jeffery P. Hopkins

**RESPONSE OF TINC LLC TO U.S. TRUSTEE'S NOTICE
OF INABILITY TO APPOINT CHAPTER 11 TRUSTEE**

TINC LLC ("TINC") agrees with the U.S. Trustee that this case should be dismissed based on the Court's July 1, 2011 Order. TINC respectfully suggests that the Court should retain jurisdiction after dismissal of the case to consider whether sanctions against Christopher Rose are appropriate. TINC believes that they are.

Concluding that the state court forum that he chose no longer suited his purposes, Mr. Rose first forced the Company into a Chapter 11 case. The Company had previously rejected the Chapter 11 option as inappropriate for many reasons, including the Company's debt structure and asset values, its negative cash flow, its lack of prospects for reorganization, and the expense involved in a Chapter 11 case. Mr. Rose then represented to the Court, the U.S. Trustee and others that he had secured a commitment for a subordinated DIP loan (the "DIP Loan") to fund the Chapter 11 case and a Chapter 11 Trustee for a short period of time.

Relying on Mr. Rose's representations that he had secured a commitment for a DIP Loan:

1. TINC advanced \$50,000 to the Company with the understanding that the order approving the DIP Loan would provide for reimbursement of TINC this week from the proceeds of the DIP Loan.

2. The proposed Chapter 11 Trustee spent a considerable amount of time meeting with the parties, reviewing documents, reviewing the proposed budget, and developing proposals for a sale and bid procedure.

3. TINC's counsel met with the proposed Chapter 11 Trustee and communicated with him regularly late last week and over the weekend in addressing numerous issues relating to the budget, the DIP Loan and the proposed sale and bid procedures.

4. The Company's management worked throughout this time, including on Sunday, to prepare the budget for the proposed DIP Loan.

Mr. Rose's representations proved to be untrue. TINC believes that sanctions are warranted. Thus, the Court can and should retain jurisdiction after dismissal of this case to order Mr. Rose to show cause why he should not be sanctioned for his conduct. *See, e.g., Cooter & Gell v. Hartmarx Corp*, 496 U.S. 384, 393-396 (1990) (holding that courts retain jurisdiction to consider ancillary matters, such as sanctions, after an underlying case is dismissed); *In re John Richards Homes Bldg. Co., LLC*, 404 B.R. 220, 226 (E.D. Mich. 2009) (holding that the consideration of sanctions constitutes a core proceeding over which the bankruptcy court retains jurisdiction after the underlying case is dismissed); *In re ComScape Telecommunications, Inc.*, 423 B.R. 816, 838 (Bankr. S.D. Ohio 2010) (dismissing Chapter 11 case but retaining jurisdiction to address a request for sanctions by separate order).

WHEREFORE, TINC respectfully suggests that the Court should retain jurisdiction after the dismissal of this case to order Mr. Rose to show cause why he should not be sanctioned for his conduct.

Dated: July 12, 2011

Respectfully submitted,

/s/ Timothy J. Hurley
Timothy J. Hurley (0006458)
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Attorneys for Creditor, TINC LLC

CERTIFICATE OF SERVICE

I hereby certify that on July 12, 2011, a copy of the foregoing was served electronically on the following registered ECF participants through the Court's ECF system at the email addresses registered with the Court:

Reuel D. Ash
Attorney for Petitioning Creditors
rash@ulmer.com

Monica V. Kindt
Assistant U.S. Trustee
monica.kindt@usdoj.gov

and by regular U.S. mail, postage prepaid, upon the following:

The Rookwood Corporation
1920 Race Street
Cincinnati, OH 45202

First Bank
Attn: Greg Noll
9395 Kenwood Road, Suite 104
Cincinnati, OH 45242

First Bank
11901 Olive Blvd.
Creve Couer, MO 63141

Department of Development of the State of Ohio
Attn: Loan Servicing
Riffe Tower
77 South High Street, 28th Floor
Columbus, OH 43226

Ronald Bates
1859 Keys Crescent Lane
Cincinnati, OH 45206

Martin Wade
119 East Court Street
Cincinnati, OH 45202

/s/ Timothy J. Hurley